

**IN THE UNITED STATES  
PATENT AND TRADEMARK OFFICE**

**Patent Application**

<b>Appellant:</b>	Goode et al.	<b>Serial No.:</b>	10/689,005
<b>Filed:</b>	10/20/2003	<b>Attorney Docket No.:</b>	
<b>SEDN/132DIV1</b>			
<b>Examiner:</b>	Thomas, Jason M	<b>Group Art Unit:</b>	2423
<b>Confirmation #:</b>	4102		
<b>Title:</b>	METHOD AND APPARATUS FOR PROVIDING DYNAMIC PRICING SERVICES FOR AN INTERACTIVE INFORMATION DISTRIBUTION SYSTEM		

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**SIR:**

**APPEAL BRIEF**

Appellants submit this Appeal Brief to the Board of Patent Appeals and Interferences on appeal from the decision of the Examiner of Group Art Unit 2423 mailed November 13, 2009 rejecting claims 1-18.

In the event that an extension of time is required for this appeal brief to be considered timely, and a petition therefor does not otherwise accompany this appeal brief, any necessary extension of time is hereby petitioned for.

The \$270 Appeal Brief fee is being paid with the EFS Web submission of this Appeal Brief. Appellants do not believe that any other fees are due. In the event Appellants are incorrect, the Commissioner is authorized to charge any other fees to Deposit Account No. 50-4802/CHTR/132DIV1.

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### **Real Party in Interest**

The real party in interest is DIVA Systems Corporation, a corporation of the State of Delaware, having a place of business at 333 Ravenswood Avenue in Menlo Park, CA 94025.

### **Related Appeals and Interferences**

Appellants assert that no appeals or interferences are known to Appellants, Appellants' legal representative, or assignee which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

### **Status of Claims**

Claims 1-18 are pending in the application. Claims 1-24 were originally presented in the application. Claims 19-24 are withdrawn from consideration. Claims 1, 14 and 16 have been amended. The rejection of claims 1-18 is appealed.

### **Status of Amendments**

All claim amendments have been entered.

### **Summary of Claimed Subject Matter**

The claimed embodiments provide a complex price and data capacity management infrastructure necessary to offer a consumer friendly approach to subscribing to a class of data or service content. This service content might be grouped by any logical association such as a series of movies or other program content. The SOD service concept of having a single price for a package of programming removes the payment commitment challenge ordinarily posed by the prior art as a barrier to viewing each item of content.

For the convenience of the Board of Patent Appeals and Interferences, Appellants' independent claims 1, 7, 14 and 16 are presented below with citations to various figures and appropriate citations to at least one portion of the specification for elements of the appealed claims.

Claim 1 recites (with references to illustrative portions of the specification added):

1. (Previously Presented) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand (SOD) service for an interactive information distribution system comprising the steps of:

packaging a number of on-demand subscription programs into a programming packages wherein said programming packages comprise a hierarchical structure, which may be multi-tiered or grouped; (Pg. 20:8-Pg. 21:9)

dynamically defining subsets of content to be created as personal SOD; and (Pg. 21:8)

enabling a subscriber to access any on-demand program within a subscribed programming package on an on-demand basis by allowing the subscriber to interface with one or more menu applets. (Pg. 21:1-14).

Claim 7 recites (with references to illustrative portions of the specification added):

7. (Previously Presented) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:

sending from said service provider equipment to said subscriber equipment a first menu applet; (Pg. 16:33- Pg. 17:5)

decoding and executing said first menu applet within said subscriber equipment to display a first interactive graphical user interface; (Pg. 13:21-36; Pg. 16:25-26; Pg. 17:2-6)

selecting, through manipulation of the first interactive graphical user interface, a subscription option comprising a hierarchical structure, which may be multi-tiered or grouped; (Pg. 17:7-9; Pg. 20:8-Pg. 21:11)

sending a selection signal indicative of said selected subscription option from said subscriber equipment to said service provider equipment; (Pg. 15:19-29; Pg. 18:33-34)

determining, within said service provider equipment, if the subscriber is a current subscriber to said service identified by said selection signal; (Pg. 16:15-24)

if the subscriber is said current subscriber, sending a second menu applet from said service provider equipment to said subscriber equipment; (Pg. 16:25-29)

decoding and executing said second menu applet within said current subscriber equipment to display a second interactive user interface through which the subscriber can select a subscription program for viewing; (Pg. 16:30- Pg. 17:32)

if said subscriber is not said current subscriber, sending a third menu applet from said service provider equipment to said subscriber equipment; and (Pg. 18:16-18)

decoding and executing said third menu applet within said subscriber equipment to display a third interactive user interface through which the subscriber can become a subscriber to the selected service. (Pg. 18:18-25).

Claim 14 recites (with references to illustrative portions of the specification added):

14. (Previously Presented) A method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:

providing a programming selection menu through which a subscriber selects programming for a personal subscription-on-demand (SOD) service comprising a hierarchical structure, which may be multi-tiered or grouped; (Pg. 20:8-Pg. 21:9)

selecting programming to define said personal subscription-on-demand service; (Pg. 21:2-5)

storing programming identification codes associated with said selected programming and a subscriber identification number; (Pg. 21:11-12)

dynamically defining subsets of content to be created as personal SOD; and (Pg. 21:8)

enabling said subscriber, through use of said subscriber identification number, to access said personal subscription-on-demand service included in the display produced from the first menu applet, by paying a single predefined price for access to the programming identified by the programming identification codes for a predefined period. (Pg. 21:1-20)

Claim 16 recites (with references to illustrative portions of the specification added):

16. (Previously Presented) Apparatus for providing subscription-on-demand (SOD) services within an interactive information distribution system comprising:

service provider equipment ( Pg. 7:20; FIG. 1, 102) containing an information server (Pg. 7:27-28; FIG. 1, 108) and a video session manager (Pg. 7:35; FIG. 1, 122);

subscriber equipment (Pg. 7:31; FIG. 1, 106) containing a subscriber terminal and a display unit, where the service provider equipment is connected to the subscriber equipment by a communications network; and (Pg. 10:13-Pg. 13:5)

said video session manager sends a plurality of executable menu applets to said subscriber terminal, said terminal executes each of said menu applets to generate interactive graphical user interface displays through which a subscriber selects a service comprising a hierarchical structure, which may be multi-tiered or grouped; the subscriber terminal sends a service request to said session manager for processing; if the subscriber is said current subscriber of the selected service, the subscriber can select a subscription program for viewing; if said subscriber is not said current subscriber, the subscriber can become a subscriber to the selected service and can dynamically define subsets of content to be created as personal SOD. (Pg. 15- Pg. 18).

### **Grounds of Rejection to be Reviewed on Appeal**

I. Claims 1-6 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson et al. (U.S. Patent No. 6,016,141, hereinafter Knudson) in view of Brown (U.S. Patent No. 5,771,435, hereinafter Brown) and Hamlin (U.S. Patent No. 6,477,504, hereinafter Hamlin).

II. Claims 7-9, 12 and 13 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Hendricks et al. (U.S. Patent No. 6,828,993, hereinafter Hendricks) and further in view of Gordon et al. (U.S. Patent No. 7,032,176, hereinafter Gordon).

III. Claims 10 and 11 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson, in view of Brown, Billock, Hamlin and Goode et al. (International Pub. No. 98/19459, hereinafter Goode).

IV. Claims 14-18 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson, in view of Brown, Goode and Hamlin.

## ARGUMENTS

### I. Rejection of Claims 1-6.

Claims 1-6 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson et al. in view of Brown and further in view of Hamlin.

#### A.1. Claim 1.

Claim 1 is rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson et al. in view of Brown and further in view of Hamlin. Appellants urge to the contrary.

1. The Examiner failed to establish a prima facie showing of obviousness because the combination of Knudson, Brown and Hamlin fails to teach or suggest all the claim elements.

Appellants initially show error in the rejection of claim 1 in that the Examiner failed to establish a factual basis to support the legal conclusion of obviousness<sup>1</sup>. See *In re Fine*, 837 F.2d 1071, 1073 (Fed. Cir. 1988).

A *prima facie* case of obviousness has not been established because Knudson alone or in combination with Brown and Hamlin fail to teach or suggest all elements of Appellant's independent claim 1. Specifically, the Examiner acknowledges that Knudson fails to disclose:

“enabling a subscriber to access any on-demand program within a subscribed programming package on an on-demand basis by allowing the subscriber to interface with one or more menu applets.” See Office Action, p.4.

However, the Examiner cites Brown to bridge the substantial gap between Appellants claimed embodiment and Knudson. Appellants urge to the contrary.

2. Brown fails to cure Knudson's deficiencies.

As stated above, the Examiner alleges that Brown cures Knudson deficiencies by disclosing the above-identified features. However, the complete limitation is different

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<sup>1</sup> In rejecting claims under 35 U.S.C. §103, the Examiner bears the initial burden of presenting a prima facie case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). The burden of coming forward with evidence or argument shifts to the Appellant only if the Examiner's burden is met. Id. To establish a prima facie case of obviousness of a claimed invention, all of the claim limitations must be taught or suggested by the prior art. MPEP 2143.03. See also. *In re Royka*, 490 F.2d 580 (C.C.P.A. 1974). If the Examiner fails to establish a prima facie case, the rejection is improper and will be overturned. *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988).



from what the Examiner provided the citation for. Specifically, the limitation at issue recites:

“enabling a subscriber to access any on-demand program within a subscribed programming package on an on-demand basis by allowing the subscriber to interface with one or more menu applets.” See Office Action, p.4.

The Examiner’s statement is reproduced here for ease of comparison.

“Knudson is silent on allowing a user to access a program in an on-demand basis and wherein the interface is produced using one or more applets.” See Office Action, page 4.

As can be seen, there are several issues with the Examiner’s approach.

*i. All words in a claim must be considered.*

As articulated above, the Examiner paraphrases the limitation leaving out certain key phrases and introducing phrases that are not recited in the limitation. Neither Examiner’s argument, nor portions of Brown cited by the Examiner discusses the claimed feature. It appears the Examiner does not accord any patentable weight to the phrases “any,” “within a subscribed programming package on an on-demand basis,” “one or more menu applets” within the context of the claims. All words in a claim must be considered in judging the patentability of that claim against the prior art. See MPEP §2143.03. One cannot divine claim meaning in a vacuum. *Philips v. AWH Corporation* (Fed. Cir. July 12, 2005). In order for the Examiner to arrive at such conclusion, apparently the claimed limitation was not accorded any patentable weight within the context of the claims. All words in a claim must be considered in judging the patentability of that claim against the prior art. (See MPEP §2143.03). One cannot divine claim meaning in a vacuum. *Philips v. AWH Corporation* (Fed. Cir. July 12, 2005). According to MPEP §2143.03: “All words in a claim must be considered in judging the patentability of that claim against the prior art” (quoting, *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)).

Accordingly, Appellants further demonstrate that claim 1 is erroneously rejected under 35 U.S.C. §103(a).

- ii. The Examiner's assertion that the references can be combined or modified does not render the resultant combination obvious unless the results would have been predictable to one of ordinary skill in the art.

The Examiner attempted to combine Knudson and Brown to produce the claimed subject matter, citing Brown as providing the motivation to do so. However "[t]he mere fact references can be combined or modified does not render the resultant combination obvious unless the results would have been predictable to one of ordinary skill in the art. See MPEP §2143.01(III).

That is, assuming arguendo that a combination of Knudson and Brown somehow can be made, and that such a combination somehow provides all the structure of the claimed invention, such a combination is not rendered obvious unless the results would have been predictable to one of ordinary skill in the art.

Further, Appellants respectfully submit that the purported combination of Knudson and Brown must not only be operable, it must also support a reasonable expectation of success is the mind of a person of ordinary skill in the art.

Here, the Brown reference teaches:

"initially receiving from a viewing node, a request for a video presentation of a particular interactive application," see Brown col. 3, lines 31-32 (emphasis added)

whereas the claimed limitation recites in part: "any on-demand program within a subscribed programming package on an on-demand basis." Brown further provides:

"This embodiment then provides a near-video-on-demand (NVOD) presentation of the interactive application to the viewing node." See Brown col. 3, lines 33-36.

Indeed, combining the Knudson and Brown arrangements would destroy the functionality of either arrangement. The two systems are incompatible. Brown is mainly directed to near-video-on-demand (NVOD) and when it comes to video on-demand, Brown isn't quite sure about the results. As provided in col. 3, lines 37-51:

"At the time of the offer of the NVOD presentation, or during the NVOD presentation, the viewing node might request a video-on-demand (VOD)

version of the interactive application in order to exercise VCR functional features (such as fast forward, rewind, pause, etc.).

If such a request is made, and if the system's resources would not be constrained by the transmission of the video-on-demand presentation of the interactive application, then this embodiment transmits the video-on-demand version of the interactive to the viewing node. On the other hand, if the system's resources would be constrained by the transmission of the VOD version, one embodiment of the invention's interactive system again directs the requesting viewer to view a near-video-on-demand version of the particular application."

As can be seen, the two systems are completely incompatible. Brown transmits a video-on-demand presentation only if the system's resources would not be constrained. Accordingly, a person of ordinary skill in the art at the time of the invention would not have seen a reasonable likelihood of success in combining the Knudson and Brown teachings as proposed by the Examiner to yield an operable invention. For that reason as well, the Examiner's rejection of claim 1 based on a combination of Knudson with Brown should be reversed.

3. *Hamlin fails to cure the deficiencies of Knudson and Brown.*

The Examiner alleges that Hamlin cures the deficiencies of Knudson and Brown. Specifically, the Examiner states:

"Hamlin teaches the use of a dynamically delivered applet for the purpose of generating an interactive user interface to gathering information from a client display unit such as a television set rather than a locally-stored program that generates an interface (see [col. 6, ll. 39-51] for using an applet to gather data from a client device to be alter processed)." See Office Action, page 4.

However, in a manner similar to the approach adapted by the Examiner in analyzing previous limitations, the Examiner paraphrases the limitation leaving out certain key phrases and introducing phrases that are not recited in the limitation. The complete limitation is different from what the Examiner provided the citation for.

Specifically, the limitation at issue recites:

"dynamically defining subsets of content to be created as personal SOD"

In so doing, that particular limitation was effectively not examined. Further, the Examiner glosses over the weaknesses and shortcomings of the reference in order to justify the rejection. There is no teaching relating to the specific features in Applicants'

claim 1. Neither Examiner's argument nor portions of Hamlin cited by the Examiner discusses dynamically defining subsets of content to be created as personal SOD. This constitutes an improperly addressed rejection. It is incomplete. See CFR 1.104 and MPEP §707.07(d). The applicant cannot properly respond to the action because the rejection of the claim in such manner does not afford the Applicant the opportunity to ascertain the veracity of the Examiner's interpretation of a specific element of the claim.

Accordingly, Appellants respectfully submit that claim 1 is erroneously rejected under 35 U.S.C. §103(a). Furthermore, Hamlin fails to bridge the substantial gap between Appellants claimed embodiments and the combination of Knudson and Brown.

In view of the foregoing, claim 1 is patentable under 35 U.S.C. §103(a) over Knudson alone or combined with Brown and Hamlin.

4. Obviousness is deceptive in hindsight.

Appellants respectfully submit that the rejection compensates for gaps and ambiguities in the teachings of the prior art by resorting to improperly paraphrasing the claimed limitation to thereby piece together the claimed invention using hindsight. In this case, it is apparent the Examiner relied on hindsight to manufacture this conclusion.

"A factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of argument reliant upon *ex post* reasoning." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007).

It is impermissible to use the claims as a framework from which to choose among individual references to recreate the claimed invention. *W. L. Gore Associates, Inc. v. Garlock, Inc.* 220 U.S.P.Q. 303, 312 (Fed. Cir. 1983). This is a classic case where obviousness is deceptive in hindsight.

Measuring a claimed invention against the standard established by 35 U.S.C. §103 requires the difficult but critical step of casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art and then-accepted wisdom in the field. *Id.* at 313. Close adherence to this methodology is especially important in the case of less technologically complex inventions, where the very ease with which the invention can be understood may prompt one "to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught

is used against its teacher.” *Id.* In view of the foregoing, claim 1 is patentable under 35 U.S.C. §103(a) over Knudson alone or combined with Brown and/or Hamlin. Accordingly, the obviousness rejections should be reversed.

5. *Rejections on obviousness cannot be sustained by mere conclusory statements: Examiner’s burden not met.*

The Examiner seems to believe there was an apparent reason to first combine Knudson and Brown and then to further combine Knudson and Brown with Hamlin to produce the claimed subject matter. (See Nov. 13, 2009 Office Action, p. 4). Such a showing however, requires, ‘some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *KSR Int’l v. Teleflex, Inc.* 127 S. Ct. 1727 (2007).

Here, for the combination of Knudson with Brown, the Examiner simply stated:

“because providing users with videos in an on-demand basis is in accordance with providing an interactive services to simplify home entertainment by allowing viewers greater flexibility and control over content.” See Office Action, page 4.

For combining Knudson and Brown with Hamlin, the Examiner stated:

“in order to enable future updates to be made to the function or appearance of the GUI without having to modify the client system.”

The Examiner attempted to provide a reason to combine the prior art in the fashion claimed, because the claimed subject matter cannot be fairly characterized as involving the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for improvement. However, the Examiner fails to provide some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness, the statement is merely conclusory. Accordingly, the Examiner’s burden in making factual determinations set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966) is not met.

Further, the motivation as articulated by the Examiner is hopelessly deficient. The Examiner articulates the result of modifying the references, to wit, to simplify home entertainment by allowing viewers greater flexibility and control over content and to

enable future updates to be made to the function or appearance of the GUI without having to modify the client system, but fails to explicate why an artisan of ordinary skill in the art would be motivated to perform said modifications.

Accordingly, Appellants further demonstrate that claim 1 is erroneously rejected under 35 U.S.C. §103(a).

**6. Conclusion**

Appellants respectfully submit that there is no suggestion in Knudson in view of Brown and further in view of Hamlin that would have resulted in Appellants' claimed embodiments as provided in independent claim 1.

**A.2. Claims 2-6.**

Claims 2-6 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson et al. in view of Brown and further in view of Hamlin. Appellants urge to the contrary.

This ground of rejection applies only to dependent claims, and is predicated on the validity of the rejection under 35 U.S.C. §103 given Knudson in view of Brown and further in view of Hamlin as applied to claim 1 above.

As articulated above with respect to claim 1, there are missing claimed features not taught/suggested by the cited references – including “dynamically defining subsets of content to be created as personal SOD.” – and thus, dependent claims 2-6 have been erroneously rejected under 35 U.S.C. §103(a). The Examiner failed to establish a *prima facie* showing of obviousness.

Therefore, Appellants' claims 2-6 are patentable under 35 U.S.C. §103(a) over Knudson in view of Brown and further in view of Hamlin as applied to claim 1 above.

**II. Rejection of Claims 7-9, 12 and 13.**

Claims 7-9, 12 and 13 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Hendricks et al. and further in view of Gordon.

**A.1. Claim 7.**

Claim 7 is rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Hendricks et al. and further in view of Gordon. Appellants urge to the contrary.

A *prima facie* case of obviousness has not been established because Knudson fails to teach or suggest all elements of Appellant's independent claim 7.

1. *Knudson fails to teach GUI: Examiner disregards the clear teachings of the Specification.*

A fundamental goal of the claimed embodiments is to provide an enjoyable, real time interactive session that allows the consumer to rapidly navigate through a plethora of menus to find particular information which the consumer desires to view. One important way that the claimed embodiments accomplish that goal, as confirmed by the specification, is by distributing the graphical user interface functionality between the service provider equipment and subscriber equipment. The Specification provides:

"The invention is implemented as one or more interrelated "applets" which, when taken together form the interactive graphical user interface that facilitates the SOD service of the present invention." See Specification, p. 13:21-25.

But the Examiner ignored those teachings of the specification in rejecting the claims, particularly claim 7.

According to MPEP §2111.01(IV):

"Where an explicit definition is provided by the Applicant for a term, that definition will control interpretation of the term as it is used in the claim."

As articulated above, the specification provides a clear context for persons skilled in the art to understand the term "generic definition" as comprising an ability to select between one of a plurality of levels of complexity of content presentation according to a determined capacity level of a receiving telephone. It is entirely appropriate when conducting claim construction, to rely heavily on the written description for guidance as

to the meaning of the claims. Importantly, the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but *in the context of the specification*.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005) (*en banc*). Indeed, the *Phillips* Court stressed that “the specification is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.” *Id.* at 1315 (quotation omitted).

On page 6 of the November 13, 2009 Office Action the Examiner suggests that Knudson discloses GUI:

“While Knudson teaches providing users with graphical user interfaces (GUI) to receive user selections and then respond accordingly by use of visual displays to provide information about selectable programs which are free and can be tuned for viewing, in addition to providing additional menus in response to the selections made by users which include options to subscribe to subscription content having hierarchical structures.”

Contrary to the assertion of the office action, Knudson fails to disclose or suggest GUI as defined in Appellants’ specification.

Accordingly, Appellants’ claim 7 is patentable under 35 U.S.C. §103(a) over Knudson alone or combined with Hendricks and Gordon.

2. *The Examiner failed to establish a prima facie showing of obviousness because the combination of Knudson, Hendricks and Gordon fails to teach or suggest all the claim elements.*

As articulated above with respect to claim 1, Knudson alone or in combination with Hendricks and Gordon fails to teach all elements of independent claim 1 as required under 35 U.S.C. §103 for establishing a *prima facie* showing of obviousness. Appellants submit that independent claim 7 recites relevant limitations similar to those recited in independent claim 1 and, as such, independent claim 7 also is patentable under 35 U.S.C. §103(a) over Knudson in combination with Hendricks and Gordon.

Further, in a manner similar to the rejection of claim 1, the Examiner paraphrases the limitations of the claim leaving out certain key phrases and introducing other phrases that are not recited in the limitations. This creates total confusion. The actual limitation



is different from what the Examiner provided the citation for. In so doing, that particular limitation was effectively not examined.

Still further, claim 7 recites nine (9) limitations and the Examiner failed to address each and every limitation of claim 7 with a degree of clarity allowing the Applicants to ascertain the veracity of the Examiner's assertion. Rather, the Examiner improperly paraphrases the limitations. Consequently, Applicants are unable to articulate further arguments other than provided above in support of the patentability of the features of claim 7.

3. *Rejections on obviousness cannot be sustained by mere conclusory statements: Examiner's burden not met.*

Still further, the Examiner also failed to provide some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. In a manner similar to the rejection of claim 1, the Examiner articulates the result of modifying the reference, to wit, in order to simplify the involvement on behalf of the customer who would like to immediately view desired programming and in order to provide a more dynamic and customizable interactive experience. (See Office Action, pp.7-8). The Examiner's conclusory statement is unaccompanied by evidence or reasoning and is entirely inadequate to support the rejection. *In re Sichert*, 566 F.2d 1154, 1164, 196 USPQ 209, 217 (CCPA 1977). Accordingly, the Examiner fails to meet the requirements set forth in MPEP §706.02(j).

4. *Conclusion*

Appellants respectfully submit that there is no suggestion in Knudson in view of Hendricks and further in view of Gordon that would have resulted in Appellants' claimed embodiments as provided in independent claim 7.

**A.2. Claim 8-9, 12 and 13.**

Claims 8-9, 12 and 13 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Hendricks et al. and further in view of Gordon. Appellants urge to the contrary.

This ground of rejection applies only to dependent claims, and is predicated on the validity of the rejection under 35 U.S.C. §103 given Knudson in view of Hendricks and further in view of Gordon as applied to claim 7 above.

As articulated above with respect to claim 7, there are missing claimed features not taught/suggested by the cited references – including “decoding and executing said third menu applet within said subscriber equipment to display a third interactive user interface through which the subscriber can become a subscriber to the selected service.” (emphasis added). – and thus, dependent claims 8-9, 12 and 13 have been erroneously rejected under 35 U.S.C. §103(a). The Examiner failed to establish a *prima facie* showing of obviousness.

Therefore, Appellants’ claims 8-9, 12 and 13 are patentable under 35 U.S.C. §103(a) over Knudson in view of Hendricks et al. and further in view of Gordon as applied to claim 7 above.

### **III. Rejection of claims 10 and 11.**

Claims 10 and 11 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson, in view of Brown, Billock, Hamlin and Goode et al. (International Pub. No. 98/19459, hereinafter Goode). Appellants urge to the contrary.

This ground of rejection applies only to dependent claims, and is predicated on the validity of the rejection under 35 U.S.C. §103 given Knudson in view of Hendricks and further in view of Gordon as applied to claim 7 above.

As articulated above with respect to claim 7, there are missing claimed features not taught/suggested by the cited references – including “decoding and executing said third menu applet within said subscriber equipment to display a third interactive user interface through which the subscriber can become a subscriber to the selected service.” (emphasis added). – and thus, dependent claims 10 and 11 have been erroneously rejected under 35 U.S.C. §103(a). The Examiner failed to establish a *prima facie* showing of obviousness.

Therefore, Appellants’ claims 10 and 11 are patentable under 35 U.S.C. §103(a) over Knudson in view of Brown, Billock, Hamlin and further in view of Goode.

#### **IV. Rejection of claims 14-18.**

Claims 14-18 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson, in view of Brown, Goode and Hamlin.

##### **A.1. Claim 14.**

Claim 14 is rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Brown, Goode and Hamlin. Appellants urge to the contrary.

As articulated above with respect to claim 1, Knudson alone or in combination with Brown, Goode and Hamlin fails to teach all elements of independent claim 1 as required under 35 U.S.C. §103 for establishing a *prima facie* showing of obviousness. Appellants submit that independent claim 14 recites relevant limitations similar to those recited in independent claim 1 and, as such, independent claim 14 also is patentable under 35 U.S.C. §103(a) over Knudson in combination with Brown, Goode and Hamlin.

Further, in a manner similar to the rejection of claim 1, the Examiner paraphrases the limitations of the claim leaving out certain key phrases and introducing other phrases that are not recited in the limitations. This creates total confusion. The actual limitation is different from what the Examiner provided the citation for. In so doing, that particular limitation was effectively not examined. For example, on page 12 of the Office Action the Examiner states:

“Hamlin teaches the use of a dynamically delivered applet for the purpose of generating an interactive user interface to gathering information from a client display unit such as a television set rather than a locally-stored program that generates an interface (see [col. 6, ll. 39-51] for using an applet to gather data from a client device to be later processed).”

The word “dynamically” is thus mentioned in the passage. However, the presence of individual words in a reference does not mean that the initial claim term: “dynamically defining subsets of content to be created as personal SOD” has been disclosed or suggested. Rather, the Examiner improperly paraphrases the limitations. The same error permeates the approach adapted by the Examiner in rejecting independent claims 1, 7 and now claim 14. The Examiner glosses over the weaknesses and shortcomings of the reference in order to justify the rejection. There is no teaching relating to the specific features in Appellants' claim 14. Consequently, Appellants are unable to articulate

further arguments other than provided above in support of the patentability of the features of claim 14. This is no recipe for a complete Action. See MPEP §707.07.

Still further, the Examiner also failed to provide some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. In a manner similar to the rejection of claims 1 and 7, the Examiner articulates the result of modifying the reference, to wit, because providing a PIN which can be associated with particular programming provides more flexible and useful security measures such as customizable access and in order to enable future updates to be made to the function or appearance of the GUI without having to modify the client system. (See Office Action, pp. 12-13). The Examiner's conclusory statement is unaccompanied by evidence or reasoning and is entirely inadequate to support the rejection. *In re Sichert*, 566 F.2d 1154, 1164, 196 USPQ 209, 217 (CCPA 1977). Accordingly, the Examiner fails to meet the requirements set forth in MPEP §706.02(j).

#### **A.2. Claim 15.**

Claim 15 is rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Brown, Goode and Hamlin. Appellants urge to the contrary.

This ground of rejection applies only to dependent claims, and is predicated on the validity of the rejection under 35 U.S.C. §103 given Knudson in view of Brown and further in view of Goode and Hamlin as applied to claim 14 above.

As articulated above with respect to claim 14, there are missing claimed features not taught/suggested by the cited references – including “dynamically defining subsets of content to be created as personal SOD.” (emphasis added). – and thus, dependent claim 15 has been erroneously rejected under 35 U.S.C. §103(a). The Examiner failed to establish a *prima facie* showing of obviousness.

Therefore, Appellants' claim 15 is patentable under 35 U.S.C. §103(a) over Knudson in view of Brown, Goode and further in view of Hamlin as applied to claim 14 above.

#### **A.3. Claim 16.**

Claim 16 is rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Brown, Goode and Hamlin. Appellants urge to the contrary.

As articulated above with respect to claim 1, Knudson alone or in combination with Brown, Goode and Hamlin fails to teach all elements of independent claim 1 as required under 35 U.S.C. §103 for establishing a *prima facie* showing of obviousness. Appellants submit that independent claim 16 recites relevant limitations similar to those recited in independent claim 1 and, as such, independent claim 16 also is patentable under 35 U.S.C. §103(a) over Knudson in combination with Brown, Goode and Hamlin.

Further, in a manner similar to the rejection of claim 1, the Examiner paraphrases the limitations of the claim leaving out certain key phrases and introducing other phrases that are not recited in the limitations. This creates total confusion. The actual limitation is different from what the Examiner provided the citation for. In so doing, that particular limitation was effectively not examined. For example, on page 15 of the Office Action the Examiner states:

“Hamlin teaches the use of a dynamically delivered applet for the purpose of generating an interactive user interface to gathering information from a client display unit such as a television set rather than a locally-stored program that generates an interface (see [col. 6, ll. 39-51] for using an applet to gather data from a client device to be later processed).”

The word “dynamically” is thus mentioned in the passage. However, the presence of individual words in a reference does not mean that the initial claim term: “dynamically defining subsets of content to be created as personal SOD” has been disclosed or suggested. Rather, the Examiner improperly paraphrases the limitations. The same error permeates the approach adapted by the Examiner in rejecting independent claims 1, 7, 14 and now claim 16. The Examiner glosses over the weaknesses and shortcomings of the reference in order to justify the rejection. There is no teaching relating to the specific features in Appellants' claim 16. Consequently, Appellants are unable to articulate further arguments other than provided above in support of the patentability of the features of claim 16. This is no recipe for a complete Action. See MPEP §707.07.

Still further, the Examiner also failed to provide some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. In a manner similar to the rejection of claims 1, 7 and 14, the Examiner articulates the result of modifying the reference, to wit, because some form of signaling mechanism is needed to convey the user's selection via a graphical user interface to a remote device and in order

to enable future updates to be made to the function or appearance of the GUI without having to modify the client system. (See Office Action, pp. 15-16). The Examiner's conclusory statement is unaccompanied by evidence or reasoning and is entirely inadequate to support the rejection. *In re Sichert*, 566 F.2d 1154, 1164, 196 USPQ 209, 217 (CCPA 1977). Accordingly, the Examiner fails to meet the requirements set forth in MPEP §706.02(j).

**A.4. Claims 17-18.**

Claims 17-18 are rejected under 35 U.S.C. §103(a) as being unpatentable over Knudson in view of Brown, Goode and Hamlin. Appellants urge to the contrary.

This ground of rejection applies only to dependent claims, and is predicated on the validity of the rejection under 35 U.S.C. §103 given Knudson in view of Brown and further in view of Goode and Hamlin as applied to claim 16 above.

As articulated above with respect to claim 16, there are missing claimed features not taught/suggested by the cited references – including “dynamically defining subsets of content to be created as personal SOD.” (emphasis added). – and thus, dependent claims 17-18 have been erroneously rejected under 35 U.S.C. §103(a). The Examiner failed to establish a *prima facie* showing of obviousness.

Therefore, Appellants' claims 17-18 are patentable under 35 U.S.C. §103(a) over Knudson in view of Brown, Goode and further in view of Hamlin as applied to claim 16 above.

### CONCLUSION

Appellants have shown multiple errors in the Examiner's final rejection of the claims in the present case. Therefore, based on at least the foregoing, and as the Examiner has failed to make out a prima facie case for an obviousness rejection, the rejection of claims 1-18 should be reversed.

It is well settled that in order for a rejection under 35 U.S.C. §103(a) to be appropriate, the claimed invention must be shown to be obvious in view of the prior art as a whole. A claim may be found to be obvious if it is first shown that all of the recitations of a claim are taught in the prior art or are suggested by the prior art. *In re Royka*, 490 F.2d 981, 985, 180 U.S.P.Q. 580, 583 (C.C.P.A. 1974), cited in M.P.E.P. §2143.03.

The Examiner has failed to show that all of the recitations of claims 1-18 are taught, disclosed or fairly suggested by either Knudson, Brown, Billock, Hendricks, Goode and Hamlin or the combination thereof. Accordingly, the Examiner has failed to make out a prima facie case for an obviousness rejection.

Thus, Appellants submit that all of the claims presently in the application are allowable.

For the reasons advanced above, Appellants respectfully urge that the rejection of claims 1-18 is improper. Reversal of the rejection of the Office Action is respectfully requested.

Respectfully submitted,

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## CLAIMS APPENDIX

1. (Previously Presented) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand (SOD) service for an interactive information distribution system comprising the steps of:

packaging a number of on-demand subscription programs into a programming packages wherein said programming packages comprise a hierarchical structure, which may be multi-tiered or grouped;

dynamically defining subsets of content to be created as personal SOD; and

enabling a subscriber to access any on-demand program within a subscribed programming package on an on-demand basis by allowing the subscriber to interface with one or more menu applets.

2. (Original) The method of claim 1 further comprising the step of:

enabling a consumer to select a programming package and subscribe to the selected programming package for a predefined price and thereby become said subscriber.

3. (Original) The method of claim 1 wherein a subscriber is limited to on-demand access to on-demand programs within the subscribed programming package only during predefined time periods without incurring an additional fee.

4. (Original) The method of claim 1 wherein said on-demand programming within said programming package is defined by the subscriber.

5. (Original) The method of claim 1 wherein the programming packages are arranged in an hierarchical format having subsets of programming packages within a programming package to enable a viewer to subscribe to a programming package subset without subscribing to an entire programming package.



6. (Original) The method of claim 1 wherein a consumer selects a programming package and subscribes thereto by manipulating a graphical user interface.

7. (Previously Presented) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:

- sending from said service provider equipment to said subscriber equipment a first menu applet;

- decoding and executing said first menu applet within said subscriber equipment to display a first interactive graphical user interface;

- selecting, through manipulation of the first interactive graphical user interface, a subscription option comprising a hierarchical structure, which may be multi-tiered or grouped;

- sending a selection signal indicative of said selected subscription option from said subscriber equipment to said service provider equipment;

- determining, within said service provider equipment, if the subscriber is a current subscriber to said service identified by said selection signal;

- if the subscriber is said current subscriber, sending a second menu applet from said service provider equipment to said subscriber equipment;

- decoding and executing said second menu applet within said current subscriber equipment to display a second interactive user interface through which the subscriber can select a subscription program for viewing;

- if said subscriber is not said current subscriber, sending a third menu applet from said service provider equipment to said subscriber equipment; and

- decoding and executing said third menu applet within said subscriber equipment to display a third interactive user interface through which the subscriber can become a subscriber to the selected service.

8. (Original) The method of claim 7 wherein second menu applet is connected to other menu applets that provide interactive displays of categories of services, titles of programs available in each category, and program pricing for each tile.

9. (Original) The method of claim 7 further comprising the step of:  
if a new subscription is created, updating a subscription database within said service provider equipment to identify the subscriber as a subscriber to the selected service.

10. (Original) The method of claim 7 further comprising the step of:  
if a subscriber requests a new subscription, sending a fourth menu applet from said service provider equipment and decoding and executing said fourth menu applet within said subscriber equipment to display a menu that requests a personal identification number for said subscriber.

11. (Original) The method of claim 10 wherein said personal identification number is a master personal identification number.

12. (Original) The method of claim 7 wherein the subscriber selects programming for a personal subscription-on-demand service and a personal subscription-on-demand option is included in said display produced from said first menu applet.

13. (Original) The method of claim 7 wherein said subscription-on-demand services are arranged in a hierarchical structure.

14. (Previously Presented) A method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:

providing a programming selection menu through which a subscriber selects programming for a personal subscription-on-demand (SOD) service comprising a hierarchical structure, which may be multi-tiered or grouped;

selecting programming to define said personal subscription-on-demand service;

storing programming identification codes associated with said selected programming and a subscriber identification number;

dynamically defining subsets of content to be created as personal SOD; and

enabling said subscriber, through use of said subscriber identification number, to access said personal subscription-on-demand service included in the display produced from the first menu applet, by paying a single predefined price for access to the programming identified by the programming identification codes for a predefined period.

15. (Original) The method of claim 14 wherein said subscriber identification number is one of a personal identification number, a terminal identification number, or an account number.

16. (Previously Presented) Apparatus for providing subscription-on-demand (SOD) services within an interactive information distribution system comprising:

service provider equipment containing an information server and a video session manager;

subscriber equipment containing a subscriber terminal and a display unit, where the service provider equipment is connected to the subscriber equipment by a communications network; and

said video session manager sends a plurality of executable menu applets to said subscriber terminal, said terminal executes each of said menu applets to generate interactive graphical user interface displays through which a subscriber selects a service comprising a hierarchical structure, which may be multi-tiered or grouped; the subscriber terminal sends a service request to said session manager for processing; if the subscriber is said current subscriber of the selected service, the subscriber can select a subscription program for viewing; if said subscriber is not said current subscriber, the subscriber can become a subscriber to the selected service and can dynamically define subsets of content to be created as personal SOD.

17. (Original) The apparatus of claim 16 wherein the subscriber terminal decodes and executes the applets that are sent by the session manager to produce said interactive

graphical user interface displays and sends to the video session manager selection signals indicative of a selected option within said interactive graphical user interface displays .

18. (Original) The apparatus of claim 16 wherein said video session manager, to provide security and system administration, accesses a personal identification database, a terminal identification database, and a subscriber database that are contained in a network manager.

**EVIDENCE APPENDIX**

None.

**RELATED PROCEEDINGS APPENDIX**

None.